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TAGS: \underline{PREL} \underline{ECON} \underline{KPAO} \underline{EU} \underline{GR} \underline{FR} SUBJECT: FRENCH AMBASSADOR TO GREECE ON THE EU PRESIDENCY: WHAT HE

DIDN'T SAY

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¶1. (SBU) SUMMARY AND COMMENT: Speaking at an "Ambassador's Forum"

sponsored by the Greek MFA in Athens on July 7, French Ambassador Christian Farnaud's presentation on his country's goals for the EU Presidency, covering the Lisbon Treaty to the Mediterranean Union via

environmental, immigration, agriculture, and defense policy reforms,

was perhaps most notable for what he did not say. In contrast to French President Sarzoky's resonant speech to the Greek Parliament

month, the envoy was silent on the Macedonia name issue and said little

about Balkan or regional concerns, noting simply that enlargement in

this neighborhood is "in process" and that the French would be "impartial" about Turkey's case. Interestingly, neither he nor Greek

FM Dora Bakoyannis made any direct mention of the United States. END

SUMMARY AND COMMENT.

 $\P 2$. (U) Introducing the French diplomat, the third to appear in the

"Ambassador's Forum" series (note: following the Portugese envoy last

summer and U.S. Ambassador Speckhard last fall), Greek MFA Spokesman

George Koumoutsakos recalled The Economist magazine's recent question:

Is the EU experiencing a mid-life crisis, some 50 years after the Treaty of Rome? Or should we be counting from its new beginning just

15 years ago, in 1993?

13. (U) Expanding on this, FM Bakoyannis started by saying that the

French are assuming the EU presidency at a critical time not just for

Europe, but for the world. "These Onpean Union

[action], pics and populists claima theme at the end of support. We have told our Greek interlocutors that our understanding of what transpired is quite different, and that the authority to provide support or deny support for an exercise rests solely with NATO authorities. Visiting CC-AIR Commander Lt Gen Lee McFann, Commander, NATO Air Component, Izmir (U.S.) emphatically told Greek civilian and military interlocutors that this issue is a "political problem" that Greek officials must take the matter up with NATO political authorities. We are telling the Greeks that before proposing a new exercise they need to ensure that NATO SYG de Hoop Scheffer has issued clear, written assurances that he will allow the exercise to proceed. We are also advising the Greeks not to force the issue by rescheduling the exercise absent such assurances from de Hoop Scheffer, otherwise they are headed for a repeat performance. The Greeks are attempting to make this a U.S. problem; we shouldn't let them do so. End Summary.

Agios Efstratios - Recent History

- ¶2. (SBU) Although the Turks and Greeks have long disagreed about the status of certain islands in the Aegean (ref A) the question of the status of the island of Agios Efstratios (AE) was first raised in the year 2000 when Turkey raised questions related to AE's status in the course of planning for a NATO exercise, "Destined Glory 2000." Prior to that date, we are aware of no suggestions that it was anything other than Greek sovereign erritory with the same status as the rest of reek territory, i.e. with no demilitarized sttus. We are aware that Turkey argues that AE can be tied to treaties pre-dating the Lausanne Convention that would suggest it may be demlitarized.
- ¶3. (C) In 2007, Greece sought NAO support for a training exercise "Noble Archr," that included the Limnos Terminal MilitaryArea (TMA) as well as AE. (Limnos, unlike Agios Efstratios, is specifically mentioned in the treaties whose interpretation is disputed by our two Allies). After review, NATO did not support the exercise, as Limnos has long been the subject of a Greek/Turkish dispute (Greece claims that the Montreux Convention amended Lausanne provisions allowing Greece to "remilitarize" Limnos and Turkey has long challenged this claim), and NATO policy has long been to avoid exercises related to Limnos. Following cancellation of the exercise, the Greeks expressed concern that its cancellation could be construed also to support the more recent Turkish claims related to AE. This led the United States to do two things:
- -- Then-U/S Nick Burns made a public statement standing next to Greek FM Bakoyannis that the United States considered AE to be Greek territory, that the U.S. has the impression it is not demilitarized, and that this is an issue for NATO to review to see if it can reach an arrangement to allow such military exercises to proceed (ref A).
- -- Privately, U.S. officials in Washington and Athens pressed the Greeks to raise Greek concerns with NATO officials -civilian and military.

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15. (SBU) The French Ambassador refused to be drawn in when a journalist asked a question about the Siemens bribery scandal, currently the biggest news story in Greece, with estimates of kickbacks

to politicians here in the run-up to the 2004 general election campaign $\,$

and Olympic Games as high as 35 million Euros. He first answered mildly that the EU is a success story when it comes to economic and

commercial issues, "speaking with one voice in the Doha round." When

pressed, he demurred that "Brussels is very vigilant" about corruption,

and referred the journalist to the European Commission, rather than the

EU presidency. SPECKHARD